NCA
VOC FOR IOP/FN
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U.S., OTHER NATIONS UNIFY EXPORT POLICIES

ANNCR:

THE UNITED STATES AND SIX OTHER MAJOR INDUSTRIAL NATIONS HAVE AGREED ON NEW CREDIT PROCEDURES DESIGNED TO HELP FINANCE EXPORTS WHILE DISCOURAGING RIVALRIES IN EXPORT CREDITS. VOA BUSINESS EDITOR FRANK FEINBERG HAS THE DETAILS.

VOICE:

THE UNITED STATES (ANNOUNCED WEDNESDAY) IS INITIATING NEW POLICIES BY THE U.S. EXPORT-IMPORT BANK AS PART OF AN INTERNATIONAL ACCORD TO AVOID COUNTER-PRODUCTIVE COMPETITION BY GOVERNMENT-SUPPORTED EXPORT CREDIT AGENCIES. SIMILAR ACTION IS EXPECTED SHORTLY FROM FRANCE, WEST GERMANY, ITALY, JAPAN, BRITAIN AND CANADA. IN BRIEF, THE NATIONS WILL ATTEMPT TO SET STANDARD INTEREST RATES ON LOANS TO FINANCE MANY EXPORTS.

THIS NEW ACCORD STEMS FROM THE SUMMIT CONFERENCE AT RAMBOUILLET, FRANCE LAST NOVEMBER. THE GOVERNMENT LEADERS AT THAT TIME AGREED TO DISCOURAGE TENDENCIES FOR COUNTRIES TO OUTBID EACH OTHER IN CREDITS. EXPORT-IMPORT BANK HEAD STEPHEN DUBRUL SAYS SUCH PRACTICES HAMPER EFFORTS TO MAINTAIN ORDERLY WORLD TRADE AND CURRENCY PATTERNS. MISTER DUBRUL SAYS COMPETITION IN INTERNATIONAL TRADE IS NORMAL, BUT PRODUCTS AND SERVICES SHOULD COMPETE ON THE BASIS OF THEIR INHERENT QUALITIES. AND NOT ON THE BASIS OF ARTIFICIAL INCENTIVES, SUCH AS UNREALISTIC CREDIT ARRANGEMENTS, WHICH BURDEN TAXPAYERS IN ALL THE EXPORTING COUNTRIES.

THE UNITED STATES ON JULY FIRST WILL BEGIN NEW CREDIT POLICIES ON A ONE-YEAR TRIAL BASIS. AND WASHINGTON EXPECTS OTHER MAJOR EXPORTING COUNTRIES TO ADOPT PARALLEL MEASURES. MOST MAJOR TRADING NATIONS ARE EXPECTED TO MAINTAIN AN INTEREST RATE SCALE FOR GOVERNMENT CREDITS OF EIGHT AND ONE-QUARTER TO NINE AND ONE-HALF PER CENT.

AS MISTER DUBRUL POINTS OUT, THIS INTEREST RATE IS COMPARABLE TO MOST FINANCING BY THE WORLD BANK AND OTHER INTERNATIONAL LENDING AGENCIES. AND THE RATE IS LOWER THAN COMMERCIAL BANKS GENERALLY CHARGE.

AGRICULTURAL COMMODITIES, NUCLEAR POWER PLANTS, STEEL MILLS ARE AMONG PRODUCTS AND PROJECTS WHICH REMAIN EXEMPT FROM THE NEW RATE CATEGORIES. THIS WILL PERMIT LOWER RATES FOR LOANS TO ACQUIRE THESE ITEMS -- MANY OF WHICH ARE NEEDED BY CAPITAL -- POOR COUNTRIES FOR DEVELOPMENT PROGRAMS.

JS/PBM